

loans. A sum of Rs. 0.66 lakh has been provided for the Pallivasal scheme; an allotment of Rs. 4 lakhs is made for the completion of the Anamalais road; also two new irrigation schemes are proposed in the coming year, *viz.*, the Thottara Pancha Irrigation scheme and the Chalakkudi Irrigation scheme. The extension of the Railway—Edappilli-Harbour link—having been completed at a cost of Rs. 11.38 lakhs the total expenditure on Railway has risen to Rs. 117.17 lakhs and it is expected to bring in a return of 5.98 per cent in 1118 as against 6.86 per cent we received this year.

REVENUE RESERVE FUND

At the beginning of 1117 the Revenue Reserve Fund amounted to Rs. 14.75 lakhs. During the year, a sum of Rs. 10 lakhs was transferred to this Fund from the large surplus of last year (1116) thus raising it to Rs. 24.75 lakhs. A sum of Rs. 1 lakh has been taken from the Fund for special contribution for Rural Development and another lakh of rupees for contribution to H. M. I. S. Cochin. The balance in the Fund at the end of the current year will thus be Rs. 22.75 lakhs. From this we propose to allot Rs. 2 lakhs for special contribution for rural development in the year 1118 and we would then have Rs. 20.75 lakhs which may be of great use to us in future years for post-war reconstruction.

OUR DEBT POSITION

I shall now pass on to review our debt position and explain our ways and means.

The 5 per cent debenture loan of Rs. 75 lakhs raised in 1933 matures on 1st October 1943 and the question of its redemption will be engaging the attention of the Government in the near future. The $3\frac{1}{2}$ per cent loan of Rs. 30 lakhs is maintaining a good position in the money market which thus indicates public confidence in the stability of our State finances. Our debt position at the end of 1118 is expected to stand at Rs. 236.49 lakhs consisting of debenture loans of Rs. 105 lakhs and balances at the credit of Provident Fund, Deposit Funds, etc., amounting to Rs. 131.49 lakhs. When our Sinking Funds, Cash balances, Investments in Government gilt-edged securities and the various loans and advances made to the agriculturists, industrialists, etc., are taken into account it would be seen that the debt burden is rather small and is more than covered up by our assets and investments on reproductive works, as would be clear from the statement of assets and liabilities attached to the budget before you.

WAYS AND MEANS

I shall now proceed to the ways and means programme for the coming year. Our working balance in the treasuries and banks is expected to amount to Rs. 33.62 lakhs at the close of the current year. During the next year we have to finance capital works to the extent of Rs. 6.33 lakhs. The revenue transactions of next year would bring in Rs. 3.2 lakhs as surplus. The several advances we have made when returned would leave with us over Rs. 3 lakhs. Again, the current year is expected to close with a surplus of Rs. 7.94 lakhs. Thus it would be seen that our current balances would normally suffice for meeting the requirements of 1118, even though as a matter of caution we have forecast a withdrawal from our investments to meet any unforeseen developments. The year is thus expected to close with a cash balance of Rs. 38.63 lakhs.

CRANGANUR

The principality of Cranganur whose accounts are maintained separately repeats the old story of deficit budget—the expenditure for the growing administration having outgrown its static revenues. In spite of the contribution of Rs. 10,000 from the State the actuals of 1116 resulted in a deficit of Rs. 0.54 lakh. The deficit of Rs. 0.45 lakh anticipated in the budget estimate of the current year is expected to come to Rs. 0.41 lakh only mainly on account of increase in receipts—the revised estimate of revenue and expenditure being Rs. 1.93 lakhs and Rs. 2.34 lakhs against the budget estimates of Rs. 1.85 lakhs and Rs. 2.30 lakhs respectively—the main increase in revenue occurring under “Salt” on account of the larger revised contribution from the State. For the coming year, a revenue of Rs. 1.88 lakhs is anticipated against an expenditure of Rs. 2.39 lakhs leaving a deficit of Rs. 0.51 lakh. “Education” and “Medical” get larger allotments as in the State while the activities of all other departments are kept in the same level as in previous years. The usual contribution of Rs. 10,000 from the State is continued.

CONCLUSION

Sir, I have now finished. I have attempted to give the House as faithful and accurate a picture as I can of the financial position of the State for the years 1116, 1117 and 1118. With